

NEWARK HOUSING AUTHORITY

REPORTS

REBUILDING NEWARK (1952)

REBUILDING NEWARK

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Foreword

This report to city and state officials and to the citizens of Newark tells what the Newark Housing Authority has been doing.

The commissioners and staff of the Housing Authority are deeply grateful to Mayor Ralph A. Villani and to City Commissioners Stephen J. Moran, Meyer C. Ellenstein, Leo P. Carlin and John B. Keenan for their splendid support of low-rent public housing. Commissioner Moran, whose department supervises the housing program, has sponsored every resolution required by federal and state law—and every resolution has been adopted unanimously. This cooperation has enabled the Authority to render best possible service to its 3,008 families and to the community.

Another important reason for the success of Newark's low-rent program is consistent understanding and support from a host of civic organizations, including the Newark Citizens Housing Committee, the Essex County Intergroup Council, the Chamber of Commerce, all of the veterans' organizations, the Broad Street Merchants Association, the AFL, the CIO, the League of Women Voters and many other groups.

Through its news coverage and editorial interpretation of housing problems, the Newark *Evening News* has made a notable addition to its record for public service. The Newark *Star-Ledger* and the community weeklies have helped thousands of readers to get the basic facts about housing.

To all these friends of good housing, the commissioners of the Housing Authority express their gratitude and appreciation. Thanks to them, Newark has become nationally known for the quality and scope of its housing program.

IRVING ROSENBERG, *Chairman*

Housing Authority of the City of Newark

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THE HOUSING AUTHORITY OF THE CITY OF NEWARK

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Slums Aren't Necessary

Twenty years ago slums were considered as unavoidable as death and taxes. Some people argued that slums were the product of the inhabitants. They contended that low-income families were temperamentally suited to a life of squalor and if by some miracle they were transferred to decent houses, they would keep coal in their bathtubs and shelter pigs and chickens in their parlors.

More thoughtful observers recognized that slums existed because good housing was beyond the means of low-income families. The logical solution was to bring rents down. England, Holland, New Zealand and other countries had successfully done that through government construction and operation of low-rent housing with long-term financing at low interest rates.

The depression of the 1930s was responsible for the start of low-rent housing in the United States. Jobs for building workers were desperately needed. Private enterprise wasn't building because there was no market for new houses. The Public Works



Administration got the ball rolling by erecting a number of low-rent projects in principal cities. In 1937 Congress passed a housing act that provided a long-range formula for low-rent housing.

The 1937 law gave cities and counties the power to establish local housing authorities, provided that their states passed enabling laws. These local authorities could borrow money from the federal government or from private investors—or both—to clear slums and build low-rent housing.

To keep rents low, two subsidies were provided. First, the federal government would make a yearly cash grant. Second, the local government would make a contribution, but not in cash. Instead of laying out money, the local government was required to exempt the housing projects from taxation and to supply the necessary public services. In return, the Housing Authority would make an annual cash contribution to the municipality, approximating the yield from the slum properties it had taken over.

The 1937 Housing Act proved that slums aren't necessary. More than 300 communities established local housing authorities and built low-rent projects. The City of Newark created its Housing Authority in 1938. The Housing Authority proceeded to build eight projects comprising 3,008 apartments while an equivalent number of slum dwellings was eliminated. This was real

progress, even though 90 percent of the city's slums is still standing and still occupied.

The dollar cost of slums will be described later in this report. Let's look now at the price in deaths. Slums menace the health of every family in Newark because they are the breeding place of infectious diseases. For example, the city-wide death rate from tuberculosis was 47 per 100,000 in 1950. The lowest rate was 17 in the Thirteenth Ward, the well maintained Vailsburg section. The highest rate was 329—seven times the city-wide average, 19 times the Vailsburg rate—in the Fourth Ward, a blighted area. Tuberculosis is spread only by germs. The foul areas where germs flourish must be cleaned up.

In 1949 Congress finally passed a new housing act. It broadened the low-rent housing program by scheduling the construction of 135,000 dwellings annually for six years. And it provided something new: machinery for redevelopment of blighted areas through the combined efforts of public and private enterprise. In effect the government offered a substantial subsidy to private enterprise to encourage its participation in the rebuilding of wornout sections. Since public housing authorities obviously cannot do the whole job, private builders must join in the attack on slums. What Newark is doing will be told next.



Toilet in private slum and in low-rent public housing.



Bold Planning

Make no little plans; they have no magic to stir men's blood and probably themselves will not be realized. Make big plans: aim high and hope and work, remembering that a noble, logical diagram will never die but long after we are gone will be a living thing, asserting itself with ever-living consistency.

— DANIEL H. BURNHAM.

In September 1949 the City Commission designated the Housing Authority as the city's redevelopment agency. In January 1952 the Authority approved a project which the *Newark Evening News* called "the product of bold, imaginative planning."

A rundown, antiquated area of 46 acres north of the Lackawanna tracks, extending a half-mile from Broad Street to Branch Brook Park, was chosen for the city's first venture in redevelopment.

The Housing Authority will buy the entire area and clear it, except for existing schools and churches. The tract will be replanned to eliminate unnecessary streets and to create open space for grass and parking. Two-thirds of the land, compris-



Typical scene in a blighted area of Newark.

ing the Broad Street and Branch Brook Park ends of the strip, will be made available to private builders who will construct 1,200 moderate-rent apartments with a shopping center, parking space and other facilities. The Housing Authority will sell this cleared land at a price low enough to make private building feasible.

The remaining third of the redevelopment site will be used for 1,556 low-rent dwellings to be built and operated by the Housing Authority. The Authority's tenants will be good customers for the stores and other businesses in the redeveloped area.

Costing some \$40,000,000, the Broad Street-Branch Brook Park program will be the largest housing development in the history of New Jersey.

A New Pattern

The twin sites for private builders were picked by the Housing Authority after a survey of 17 blighted sections of Newark. Even more significant than the size of this 2,750-dwelling project is the fact that a pattern is being set—a pattern which can be used for rebuilding many other wornout parts of Newark.

Slums and blighted areas have been razed so far only to permit construction of low-rent public housing. Newark's 28,260 slum dwellings cover so much land that fu-

ture low-rent projects will require only the smaller part of it. Most of the slum territory should be made available for private housing and, possibly, neighborhood parks.

How It Works

The Broad Street-Branch Brook Park redevelopment plan shows how public and private enterprise can do together what neither could do alone. Low-rent housing cannot be built to an unlimited extent because the city needs more tax ratables. It would be financially unhealthy for Newark to have a heavy proportion of tax-exempt real estate, even though the Housing Authority makes regular payments in lieu of taxes—which schools, churches and other tax-exempt institutions do not do.

Private builders have been stymied by two obstacles: First, the high cost of acquiring slum sites and clearing them makes new construction uneconomic; second, there is no place for the displaced families to go, since they cannot afford new private housing.

Those obstacles have existed for decades. As far back as 1934 the state legislature passed a law to encourage private builders to enter blighted areas. Judge Fred G. Stickel Jr., a commissioner of the Housing Authority, helped draft a state redevelopment law in 1944 and tried in other ways to persuade private enterprise to tackle the

slum problem. But nothing happened. Blight continued its slow spread.

The federal redevelopment law of 1949 is tailored to fit the needs of Newark and other cities. Under this law and supplementary state legislation, the Housing Authority picks a rundown area for rebuilding. After the Central Planning Board and the City Commission determine that the area is blighted, the properties are bought, the families are relocated in the Authority's own low-rent projects or elsewhere, and the buildings are demolished.

The Housing Authority then sells or leases the cleared land to private builders at a reduced price, thus enabling them to build profit-making apartments and stores which will pay full taxes. The loss in this writedown is covered two-thirds by the federal government, one-third by the city. The city's contribution may be cash or the value of schools, streets or other improvements required by the project.

More Tax Revenue

The writedown loss for the Broad Street-Branch Brook Park sites is estimated at around \$3,000,000. But the city will be well rewarded for its one-third contribution. The current tax yield of \$176,000 from the 46 acres will jump to almost \$600,000—and the city will spend much less for street





Families in the slums try to keep clean.

maintenance and other services. In three years the city should make up its loss and from then on it will enjoy some \$400,000 in new revenue every year. What a bargain!

Redevelopment is vital for Newark because the city is going stale. The problem of raising enough taxes is becoming worse every year. The taxpayers must support not only the long established government services but many new ones that have gradually been added. In past years the sources of tax money kept expanding with the city. Fine homes were built in new residential areas. From 1921 through 1928 an average of 3,250 new dwellings went up each

year. These new properties yielded substantial taxes that offset the dwindling return from old areas sinking into blight.

Since 1928, new private construction has averaged less than 300 dwellings a year—a drop of more than 90 percent. The shortage of vacant sites has sent private builders into the suburbs. Thousands of good taxpayers have moved from the city in search of better housing and better neighborhoods.

Newark is becoming a city of obsolete houses. Almost every section shows the marks of blight. Old dwellings must be taxed beyond their worth to make up for the loss of revenue from new construction. The

city has invested millions in streets, sewers, water mains and other facilities. These utilities cannot be abandoned—nor can the city reduce its expenditures for schools, police protection, garbage collection and other services. Indeed, the cost of public services goes up as blight spreads because rundown areas demand extra services.

We Did It Before

Three generations ago the western half of the country was developed through federal aid to railroad builders and homesteaders. The same principle of federal aid can now reclaim Newark and other eastern cities that are fast decaying. Recognizing the need for bold and drastic steps, the Newark Real Estate Board has joined with public officials and other civic organizations in approving the Housing Authority's first redevelopment program.

Many more redevelopment projects will be needed to redeem the slums, check the rise in tax rates, eliminate the threat from spreading blight and make Newark a more attractive and more healthy city. This is a challenge for the entire city. The Housing Authority will work without pause to carry redevelopment further. It will count upon cooperation from private builders and financial institutions. Public funds alone cannot do the job. Private capital and initiative must be enlisted.

New Projects

Redevelopment of Newark's blighted areas is possible today only because the Housing Authority has worked vigorously to increase the postwar total of 3,008 dwellings to 7,382. You can't tear down slums in order to build higher-rent apartments unless low-rent dwellings are built to rehouse the displaced families.

The 4,374 additional low-rent apartments are in four projects, two of which will be completed by the end of 1952. They are the Otto E. Kretchmer Homes, named for the late treasurer of the Housing Authority, and the Thomas J. Walsh Homes, in honor of the late Roman Catholic archbishop of Newark.

The Kretchmer development, on Dayton Street near the Elizabeth city line, has 730 dwellings in four 8-story buildings, one 7-story building and two 3-story structures forming a triangle around an open area that will be planted with grass and trees. The project buildings will cover only 18 percent of the 14.8 acres. Families who want even more open space will find Weequehick Park almost at their doorstep.

The Walsh development is the Housing Authority's second project on the once sylvan shore of the Passaic River. Franklin D. Roosevelt Homes was the first. The new

project is much further upstream, at Grafton Avenue. The 630 apartments are distributed among nine 8-story buildings and three 3-story structures which, together with the administration building, occupy 16.7 percent of the 14.8 acres.

762 Families Moved

The two other projects are much larger. A 6-block slum section of 18.8 acres, bounded by Belmont Avenue, West Kinney Street, Seventeenth Avenue and Hunterdon Street, is being cleared for the erection of 12- and 13-story buildings to house 1,458 families. Finding new homes for the 762 families on the site was a gargantuan task for the Housing Authority's relocation division. It was expensive work, too, but it had to be done because the Authority's policy is to rehouse, not unhouse, Newark families who need decent shelter.

The fourth project is part of the Broad Street-Branch Brook Park redevelopment program, and is the largest of all. This is still in the planning stage. The present plan is to build 1,556 dwellings when the families on the site have been moved and the old structures demolished.

New buildings will rise to 8, 12 and 13



Getting started in low-rent housing.

stories because the high cost of land and the expense of demolition compel the Authority to increase the number of families per acre. Tall apartment houses could be avoided only by covering the sites with so many low buildings that there would be no more space for grass and trees than there is in the slums.

It took a fight—a national campaign, in which Newark had a key role—to make some progress under the Housing Act of 1949. As soon as the new law was passed the real estate lobby, the only opponent of low-rent housing, began a drive to sabotage the program in Congress and in the cities.



New Jersey's congressmen voted for more of this

The result was that in 1951 the House of Representatives slashed the construction program to only 5,000 dwellings for the entire nation, instead of the 135,000 provided by the law. Mayor Ralph A. Villani, supported by the other four city commissioners, acted at once. He organized a delegation of 200 mayors, city officials, labor leaders and other prominent citizens from 32 New Jersey communities for a trip to Washington to protest the wrecking job. Executive Vice President Lee F. Johnson of the National Housing Conference, speaking for labor, veterans, religious organizations and other national groups, worked day and night to get the vote reversed. Thanks to the Senate's support of low-rent housing, the House finally agreed to 50,000 new dwellings for 1951-1952.

In the summer of 1952 the real estate lobby again tried to scuttle the program. Again the House adopted the same 5,000 unit for the coming fiscal year. But again the citizens of Newark and hundreds of other cities fought to save the low-rent housing program. They won a compromise allotment of 35,000 new dwellings, 100,000 short of the quota set by the 1949 law.

New Jersey's senators and representatives, with a single exception, have consistently supported low-rent housing, regardless of party. New Jersey's solid stand won the fight in 1951.

Without A House

You may never have thought about it, but the weak link in the American system is our failure to produce decent housing at prices most people can pay.

Most consumer goods, hard or soft, can be bought by most of the people. But even in a state as prosperous as New Jersey, less

than one-third of the people can rent or buy a new house.

Take a look at this table, which shows the incomes of urban and rural non-farm families in New Jersey (as compiled in the federal census) and the rents they can afford:

FAMILY INCOME	RENT PAYING CAPACITY - not more than	NO. OF FAMILIES	PERCENT OF FAMILIES
Over \$10,000	\$166 and up	58,000	5%
\$7,000-\$10,000	\$117-\$166	95,000	8%
\$6,000-\$7,000	\$100-\$117	80,000	7%
\$5,000-\$6,000	\$83-\$100	137,000	11%
\$4,000-\$5,000	\$66-\$83	163,000	13%
\$3,000-\$4,000	\$50-\$66	268,000	22%
\$2,000-\$3,000	\$33-\$50	198,000	16%
\$1,000-\$2,000	\$17-\$33	96,000	8%
Under \$1,000	\$0-\$17	115,000	10%
		1,210,000	100%

31%

35%

34%

New Jersey's 1,210,000 non-farm families are divided into three markets, as shown in the table

The top group, with incomes of \$5,000 or more, is the market being served by private builders. That's less than one third of the people

The middle group, with incomes of \$3,000 to \$5,000, isn't being served by anybody. These families must take cast-off housing, double up with in-laws or plunge into risky debt to buy a new house they can't afford.

The bottom group, with incomes up to

\$3,000, is usually eligible for low-rent public housing. These families are in bad housing.

Private builders rarely accommodate the middle group, except by providing less space or less quality than the home-buyer wants—or by requiring him to spend too much of his income for shelter. The Housing Authority hopes that most of the neglected \$3,000-\$5,000 families will get a break from its redevelopment program. The reduced land costs will enable private builders to offer somewhat lower rents.

Public agencies, private corporations and citizen groups should focus more attention on the middle group. Thousands of families should not be compelled to live in worn-out or overcrowded dwellings because they cannot pay \$90 to \$125 in rent.

One promising field is cooperative housing. True cooperatives have been successful elsewhere and they should work in Newark.

Another possibility is long-term debentures, guaranteed by the state or federal government, for use in redevelopment. This plan would eliminate foreclosure costs and the risk of loss in liquidation. Guaranteed debentures would attract private capital and help middle-income families.

Unless the high cost of shelter is pulled down to the level of middle-income families, thousands of Newarkers will live out their lives in substandard dwellings.

Epitaph

"To bring about integration the first thing to do is to do it."

So said a *Progress Report on Integration* prepared by the Housing Authority in June 1952. Here is the background.

In May 1950 the state legislature amended the public housing law by forbidding any discrimination for race, religious principles, color, national origin or ancestry.

At that time Newark had four exclusively white projects and four partly segregated projects. In the segregated projects some buildings were assigned to Negroes, others to whites. Negro and white children tended to follow this pattern by playing in separate groups. There was little mixing among adults.

After conferences with the Essex County Inter-group Council, the Newark Civil Rights Commission and other civic groups, the Housing Authority acted to end segregation. Negro families were moved into the white projects and white families were put in buildings formerly occupied by Negroes.

The Negroes who comprise one-fourth of the Authority's tenants are no longer segregated. More than 100 Negro families are living harmoniously in the once all-white projects.



In the doorway of a low-rent project.

n Crow

A few tenants protested against integration. The project managers explained the new law, and suggested that the objectors wait to see how their new neighbors behaved.

"If a housing authority, its executive director and his staff show complete sincerity in the change and never retreat from their announced position on non-segregation, the change will be successful," Executive Director Louis Danzig believes.

Newark's peaceful advance from segregation to integration has been nationally publicized and acclaimed by sociologists and experts on race relations. The Housing Authority is glad to have a laurel wreath. More important is the fact that the tenants have been getting along better since Jim Crow was laid to rest. Witness this letter from one tenant.

"A few months back I wrote a letter condemning integration in public housing for which I humbly apologize. The letter was written on the spur of the moment. After observing all the good housing has done for people, I have reconsidered and say again, I am very sorry to have sent that letter."

There isn't any argument in favor of segregation. The issue was settled by the Civil War and by the 13th, 14th and 15th



Children don't discriminate—unless they are carefully taught.

amendments to the constitution of the United States. Since the subsidy to low-rent public housing is contributed equally by all tax

payors, regardless of color and creed, the benefits of low-rent housing should be enjoyed equally—without discrimination.



Mostly About Children

Parents who produce three or four healthy and active children are doing a good thing for themselves and their country, but they won't find it easy to rent a house. Too many landlords see no real difference between children and monkeys.

The Housing Authority is the only landlord in Newark that gives preference to applicants with children. Its policy has become so well known that mothers seeking apartments have occasionally enlarged their own brood by borrowing a couple of youngsters from the neighbors for the trip to the tenant selection office.

The latest count showed 5,689 children in the 3,008 apartments, an average of almost two to a family. The crop is increasing. There are only 1,472 youngsters in the 12-17 age bracket but there are 2,039 in the 6-11 group and 2,158 under 6 years.

One of the more substantial fathers is

← *Water in the slums.*



Water in a low-rent housing project.

J. J. Johnson, formerly of West Virginia and since 1941 a Baxter Terrace resident. He has eight children ranging from 2 to 17 years. He also has a passionate devotion to

the Shenandoah Valley which he believes should be viewed at least once by every right-thinking American.

In 1941 Mr. Johnson, an organizer of the

All-American Men's Club at Baxter Terrace, asked whether the club would like to pay rail fare to West Virginia for 15 children who had never seen the Shenandoah Valley. The club agreed. When Mr. Johnson took the flock to the ticket window, the railroad decreed a special excursion rate to the old homestead. The trip was so thoroughly enjoyed by Mr. Johnson and the children that it has become an annual affair, financed by merchants and other businessmen in the Baxter Terrace neighborhood.

The Dearest Place

Mr. Johnson also writes poetry. He is the author of *The Dearest Place to Me*, one of the few songs ever written about low-rent housing. The third verse, sung *lento con tristezza*, is:

So let me warn you tenants, at the manage-
ment's consent
If you want to stay in Baxter you must always
pay your rent
If you shun this obligation and you let just
one month pass
There is no consideration you're a lost ball
in high grass.

Thanks to many tenants who have formed new friendships, developed new interest- and joined new clubs, life in Newark's low-rent projects enriches both adults and children. Not that perfection is rampant. The number of problems is about the same as

the number of persons, which is 11,726.

One of the main responsibilities of a housing project manager is serving as an

official referee, adviser and confidant for men, women and children. Consider the case of Mrs. X, a personable widow and the

J. J. Johnson and two excursionists.



mother of two young children. The neighbors were talking about her. She was entertaining men, they said, at all hours of the night—particularly those hours which are generally regarded as most perilous.

When the project manager talked with Mrs. X, it turned out that only one man was being entertained and he in a lawful manner. "Would you like to marry him?" the manager asked. "Yes," said Mrs. X.

The manager pointed out that an intelligent woman might gently guide a loved one to the altar. He mentioned the children's need for a father. Mrs. X nodded, thoughtfully. One month later she was married. The neighbors' tired tongues got a respite and the marriage brought happiness to the entire family.

Low-rent public housing is much more than a system for sheltering people from slums. It is a social experiment, and the experiment is paying off. Families who move into decent houses for the first time soon begin to improve their standard of living. When they finally rise beyond the income limits they become good customers for private real estate. Since 1948 more than 300 former Housing Authority tenants have bought homes. They are now paying taxes on better houses than they ever had before. Robert Frost wrote that "good fences make good neighbors." Good houses make good citizens.

The Slow Buck

Whenever possible, the Housing Authority makes 50¢ do the work of a dollar. The commissioners of the Authority are steady in slow motion when they authorize the spending of money. The great bulk of the Authority's income is rent from low income families. Economies in operation help to keep the rents low.

Low Interest Rates

For example, the Authority borrowed \$1,784,000 from the Public Housing Administration two years ago to finance the start of its current building program. The interest rate was 2½ percent. By refinancing a total of \$5,100,000 to cover further expenditures and to repay the federal government, the Authority got an interest rate of .99 percent from a group of private banks headed by the Chemical Bank and Trust Company of New York and including the National State Bank of Newark. That saved \$140,000.

\$800,000 Saved

The total saving from short-term private borrowing in the construction of the Housing Authority's three new projects will be about \$800,000, one-half the annual rent receipts.

As the city's biggest landlord, the Authority maintains an \$80,000 inventory of materials and supplies. This stock was scattered among the eight projects until 1949 when the Authority established a centralized supply room for paints, pipes, paper, pencils, paste, planks, pitch, plaster, picks, plumb lines and other materials and tools in the 6,000 different items regularly carried in stock. The value of centralized control was shown last year when a thorough inventory accounted for every item.

Early in 1950 the Housing Authority became the first public housing agency in the country to install a complete electrical system of bookkeeping and accounting. The change-over from the hand method cost \$16,000. It is saving \$12,000 a year in salaries.

New Ideas Help

The Housing Authority keeps abreast of new trends and money saving techniques by working with national and state housing organizations. Ideas are pooled, experiences are shared. Chairman Irving Rosenberg is president of the New Jersey Association of Housing Authorities, a member of the executive board of the National Housing



Typical kitchen in low-rent housing.

Conference and a member of the national CIO housing committee. The Reverend Thomas J. Finnegan is a member of the executive council of the National Association of Housing Officials for the Middle Atlantic region. Executive Director Danzig is president of NAHO's Middle Atlantic regional council, a member of NAHO's national board of governors and a member of the NHC legislative committee. Joseph A. Nevin, director of redevelopment, is program chairman for NAHO conferences and Joseph F. Reilly, director of project services, handles public relations at NHC meetings.



In Praise of Hecklers

The open season on public officials lasts the whole year. Any private citizen can go hunting whenever he wishes. The charges need not be related to facts, and often are not.

A public agency that wants to do a good job will welcome the blasts from hecklers. This sport of the voters tends to keep officials from becoming fat and lazy and indifferent to the public welfare. Another advantage is that a fair-minded press will give the public agency a chance to tell its side of the case.

50% for Management?

An example of heckling was the charge last year by several East Orange realtors that the Newark Authority was spending 50 percent of its rental income for management, compared with the 5 percent which private brokers say is a fair charge. The true figure is 2.7 percent, not 50 percent. Why? It was true that the Authority's 179 employees were being paid \$743,700 a year. Only part of this payroll, however, came from the \$1,525,500 rental income.

FURTHERMORE:

1. The comparison is cockeyed because the rents charged by the Housing Authority

are only 45 percent of the rents that private owners would charge for the same apartments. A private broker's 5 percent would be \$5 on a \$100 rental. The same \$5 charge for the same apartment at the low-rent scale of \$45 would be 11 percent. The realtors forgot that there's a big difference between low rents and normal rents.

More Miscalculations

2. Four fifths of the salary bill was not for management but for maintenance, supervision of new construction, relocating families displaced by slum clearance, and planning the redevelopment of blighted areas.

3. The remaining one-fifth, \$143,000, was management cost, a fairer comparison with the realtors' 5 percent charge. It was 9.3 percent of rental income. But it covered a lot of things that private brokers never do. The Housing Authority maintains a tenant selection department to insure that every family is chosen on the basis of need; project managers spend two or three months each year verifying the incomes of their tenants, and the Authority includes legal charges in its management expense (private brokers figure legal costs separately). The cost of these extra services was \$52,400 a

year, leaving \$90,500 as the management cost that could be fairly compared with a private operation.

2.7% Is Right

When the Housing Authority's management expense is computed on the basis of those three factors, it is only 2.7 percent of normal private rents.

Another common complaint is that tax-exempt low-rent housing is a strain on the municipal pocketbook—that the taxpayers carry a heavier burden because of the projects. What are the facts? The Housing Authority makes a cash contribution to the city each year, instead of paying taxes. This payment is 10 percent of the net rentals. For 1951 it was \$166,662. Before the Authority's eight projects were built the tax levy on the sites was only \$85,407; the collections were far less. Newark is getting 95 percent more from the Housing Authority than the taxes billed to the former owners, and an even higher percentage than the former collections. Most taxpayers would find life sweeter with a few more burdens like that.

It makes no sense to argue that if low-rent housing were taxed the same as private

property the city would collect much more. Low-rent housing couldn't be built if it had to pay normal taxes. Federal law requires the city to make a contribution to the cost of low rent housing and tax-exemption is the best way. Without it, the Housing Authority's sites would still be blighted areas, exacting extra taxes from business and from property owners in good neighborhoods

A Dime A Year

How about the federal subsidy? Doesn't every taxpayer have to contribute to it? Sure, but he gets a big return for a trifling tax. The current federal housing subsidy for the entire nation is \$15,000,000 a year, which is 10¢ a year for everybody in the country. For the price of one bus ride, 26 men, women and children of Newark are enjoying clean, decent and modern homes.

The federal subsidy is flexible. It covers the year's deficit—no more, no less. Rents are based on family income, not on the number of rooms. The average family pays about 20 percent of its income in rent (including utilities) and a large family pays about 16 percent. In prosperous times like the present, rental income rises and the Housing Authority needs only part of the maximum monthly subsidy of \$14.08 a dwelling.

In 1951 the federal government paid the Authority a subsidy of \$2.87 a month on each dwelling owned by the Authority. The tenants paid an average of \$40.61 a month, or 93.4 percent of the \$43.48 average cost of operating and financing their apartments.

Speaking of rents and incomes, the hecklers often assert that some over-income families are living in low-rent housing. That's true. And it proves that low rent housing is a shot in the arm to families who had been caught in the slough of slum life. Given a new environment and new hope, these families do better. Boys and girls reach working age and add to the family income.

About Evictions—

The projects always have some families who exceed the income limits. Because it's impossible and inhuman to evict a family the morning after a pay raise. When the courts know that an over-income family is diligently searching for a private house, a reasonable time is allowed for finding one. Within the past two years the Housing Authority has required more than 600 families to move for exceeding the limits.

Current income limits are

	For Admission	For Continued Occupancy
2 persons	\$2,400	\$3,250
3 or 4 persons	2,700	3,500
5 or more persons	3,000	3,750

As of June 1952 only 14.3 percent of the tenants were above those limits. The average income of the eligible families was \$2,511 a year or \$49.55 a week.

Citizens who don't like high taxes have generally overlooked one large and wasteful item in the municipal budget. The oversight is natural because the item is distributed among several city departments and cannot be spotted as a hidden slum subsidy.

Ten years ago, when city government cost much less than in this inflationary period, the Housing Authority made a scientific survey of the cost of slums. The facts showed that each slum dwelling consumed \$230 a year in extra municipal services (police, fire, health, welfare, etc.) not required in standard neighborhoods.

Facts On Slums

In the 1950 census, 28,260 substandard dwellings were counted in Newark. Of these, 18,087 had no bath or shower, 15,939 had no hot water and 8,478 had no flush toilet. Those were typical defects, not the complete list. Yet the average rental was \$27 and one-third rented for \$40 and up.

The landlords who own 92 percent of Newark's slums collect \$8,392,000 a year in rents. They spend practically nothing for maintenance and repairs. They pay meager taxes. Annual returns of 40 or 50





Landlords collect up to 100% a year from investments in slums.

percent on the investment are common and some landlords harvest up to 100 percent a year from slum properties. These hovels

are not merely unhealthy. They are unsafe. In Newark, as in every other large city, scores of citizens have burned to death in

slum firetraps. More will die in the future.

While the slum landlords are taking in their millions, Newark taxpayers in good neighborhoods and commercial sections are shelling out \$6,000,000 a year to pay for special city services to the slums. The subsidy for low-rent housing is insignificant by comparison with this enormous subsidy.

You Weren't Asked

No referendum was ever held to let the Newark voters decide whether they wish to pay the \$6,000,000 annual subsidy to the slums. No referendum will ever be held. Few taxpayers suspect that the slums cost every Newark man, woman and child \$1 a month, \$13 a year—or \$50 a year for the average family. Compare that with the 40¢ annual cost of the federal housing subsidy at 10¢ a person!

The only way to end the hidden slum subsidy is by getting rid of the slums. Every slum dwelling is a thief, preying on the taxpayers.

The Housing Authority will work hand in hand with all far-sighted people to redevelop Newark's blighted areas. A working partnership of public and private enterprise is the way to rebuild Newark and provide decent homes for all the citizens. Here is a magnificent chance for leaders of the free enterprise system to show again the pioneering spirit that built the United States.

LOW-RENT HOUSING PROJECTS IN NEWARK

	Seth Boyden Court	Pennington Court	James M. Baxter Terrace	Stephen Crane Village	John W. Hyatt Court	Felix Fold Court	Franklin D. Roosevelt Homes*	Joseph P. Bradley Court*
Number of apartments.....	530	236	612	353	402	300	275	301
Number of buildings.....	12	4	21	27	12	8	11	10
Area in acres.....	15	4.6	12.1	14.5	9.8	6.7	12.5	9.7
Percent of area covered.....	19.9	28.7	27.2	21.7	19.6	26	13.6	16.5
Construction cost.....	\$1,853,293	\$840,073	\$2,200,031	\$1,144,310	\$1,413,042	\$1,094,231	\$1,101,649	\$1,234,587
Cost per room.....	\$827	\$837	\$832	\$766	\$809	\$833	\$956	\$1,071
Total cost.....	\$2,737,655	\$1,275,009	\$3,773,739	\$1,828,246	\$2,211,805	\$1,873,546	\$1,749,000	**
Total cost per room.....	\$1,222	\$1,270	\$1,428	\$1,224	\$1,267	\$1,426	\$1,518	
Date completed.....	April 1941	May 1940	Oct. 1941	April 1941	June 1942	May 1942	June 1946	Feb. 1942
Boundaries.....	Weequahic Park, Dayton St., Frelinghuysen Ave.	South St., Pacific St., Dawson St., Pennington St.	Boyden St., Orange St., Neshitt St., Sussex Ave.	Branch Brook Park, Watchung Ave., Franklin Ave.	Hawkins St., Horatio St., Vincent St., Roanoke Ave.	Livingston St., Rose St., Waverly Ave., Jelliff Ave.	Chapel St., Raymond Blvd.	N. Munn Ave., Maybaum Ave., Tremont Ave., Oratton Pkwy.

*Owned by the federal Public Housing Administration; operated by Newark Housing Authority.

**Total development cost incomplete.

